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REPORT

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OF

THE AUDITOR-GENERAL

ON

NYAMATHI SECONDARY SCHOOL

**FOR THE SIX (6) MONTHS PERIOD ENDED
30 JUNE, 2021**

NAKURU COUNTY

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

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RECEIVED



**NYAMATHI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE SIX MONTHS PERIOD ENDED
30 JUNE, 2021**

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector
Accounting Standards (IPSAS)

NYAMATHI SECONDARY SCHOOL
Annual Report and Financial Statements
For the six months period ended 30 June, 2021

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NYAMATHI SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021

I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Nakuru County, Naivasha Sub-County.

The school was registered in July /2014 under registration number 32530000006 and is currently categorized as a Sub County public school established, owned or operated by the Government.

The school is a day school and had 395 number of students as at 30th June 2021 It has 2 streams and 18 teachers of which 4 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	JOSEPH GITAU CHEGE	Chairman	14/05/2019
2	DAVID MAHUGU MBUGUA	Secretary - Principal	14/05/2019
3	ELAM WECHULI	Member	14/05/2019
4	SAMUEL NJOROGE	Member	14/05/2019
5	ABRAHAM WAINAINA	Member	14/05/2019
6	KEZIAH WANJIRU	Member	14/05/2019
8	PETER NJENGA NJOROGE	Member – Rep CEB	14/05/2019
9	FRANCIS KARIUKI	Member Rep Teachers	14/05/2019
	ANN KAMAU		14/05/2019
	DANIEL GAIKOH		
10	PAUL NDUNGU	3 Members - Sponsor	
11	PHARICE KARITU	Member - Community	14/05/2019
12	ANN WANJIKU MWANGI	MemberSpecial Needs	14/05/2019
13	JAMES MWANGI	Rep Students	14/05/2019

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Ann Kamua Joseph Gitau David Mbugua Phares Karitu	Chairperson Member Member Member	1 out 1
2	Audit Committee			
3	Finance, procurement and general purposes Committee	Joseph Gitau Davd mbugua Phares karitu Ann kamau	Chairperson Member Member Member	1 out 1
4	Academic Committee	Simon Karandja Jimmy Mburu Mercy Kimani Evelyn Muthoni James Gitau	Chairperson Member Member Member	4 out of 4

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5	Discipline and welfare Committee	Dorcas Wangaruiya Walter Japar James Gitau Francis Kariuki Magdaline Kipkaliny Jimmy Mburu Mercy Kimani	Chairperson Discipline Master Member/Chairperson welfare Member Member/Secretary Welfare Students Welfare Chairperson Treasurer welfare	4 out 4
6	Development Committee	Ann Kamua Joseph Gitau David Mbugua Phares	Chairperson Member Member Member	2out 2
7	Adhoc Committee (if any during the year)	Dorcas wangaruiya Jane wanjiru Elizabeth awour James Gitau Everynne Muthoni Kennedy mwaura	Deputy Bursar Secretary welfare Guidance and counselling H.O.D	1 out 1

(d) School operation Management

For the financial year ended 30th June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	DAVID MAHUGU MBUGUA	348660
2	Deputy Principal	DORCAS WANGARUIYA	324801
3	School Bursar	JANE NYAMBURA	28642972

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 367-20117
Telephone: 0700006060
E-mail: nyamathisecondary@gmail.com

(f) School Bankers

The following school operated 4 number of bank accounts in the following banks.

1. Name of Bank: FAMILY BANK
Branch: NAIVASHA
Account Number: 053000029703(OPERATION A/C)
Account Number: 053000029704(TUITION A/C)
Account Number: 053000045490(INFRASTRUCTURE A/C)

2. Name of Bank: EQUITY BANK
Branch: NAIVASHA
Account Number: 0200270266077(SCHOOL FUND A/C)

(g) Independent Auditors

Office of the Auditor General,
Anniversary Towers, University Way,
P.O. Box 30084,
GPO 00100,
Nairobi, Kenya.

NYAMATHI SECONDARY SCHOOL
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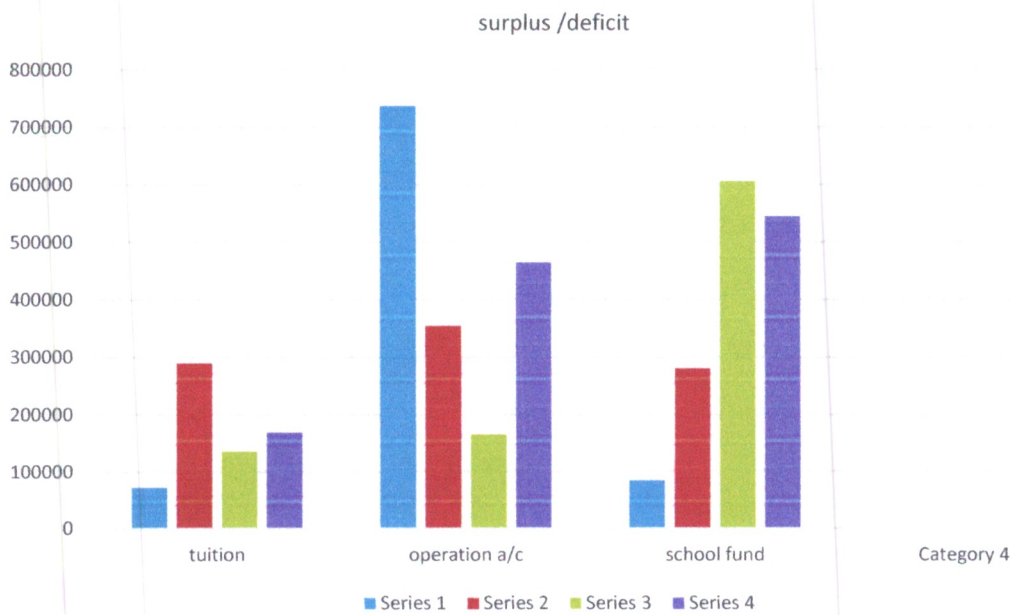
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

SURPLUS/DEFICIT FOR THE THREE YEARS

S/NO	ACCOUNTS	2021	2020	2019
1	TUITION	71,757	289,268	135,509
2	OPERATION	481,344.3	354,751.2	165,574
3	SCHOOL FUND	165,755	280,145	605,650
	TOTALS	718,856.3	924,164.2	906,733

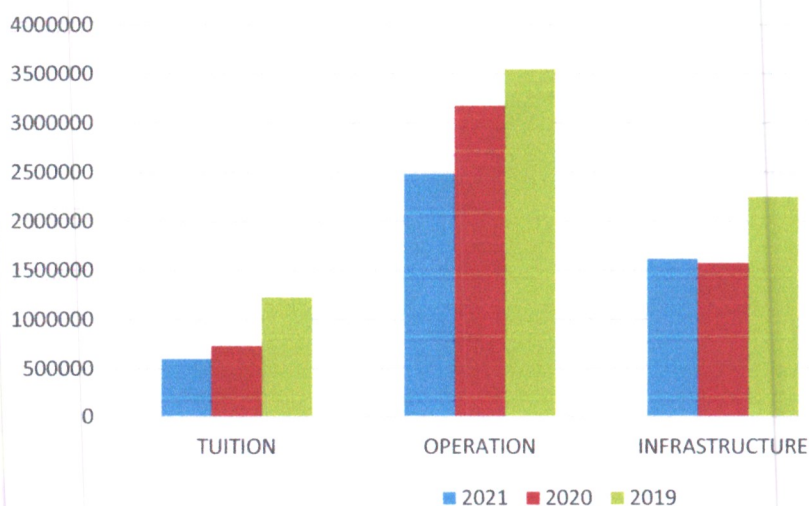


NYAMATHI SECONDARY SCHOOL
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For the six months period ended 30 June, 2021

CAPITATION GRANTS FOR THE THREE YEARS

S/NO	ACCOUNTS	2021	2020	2019
1	TUITION	600,575	732,975	1,224,015
2	OPERATION	4,097,269.10	3,173,819.64	3,544,181.25
	Ratio per student	11,431	11,863	18,749

CAPITATION GRANT FOR TUITION, OPERATION AND INFRASTRUCTURE FOR THREE YEARS

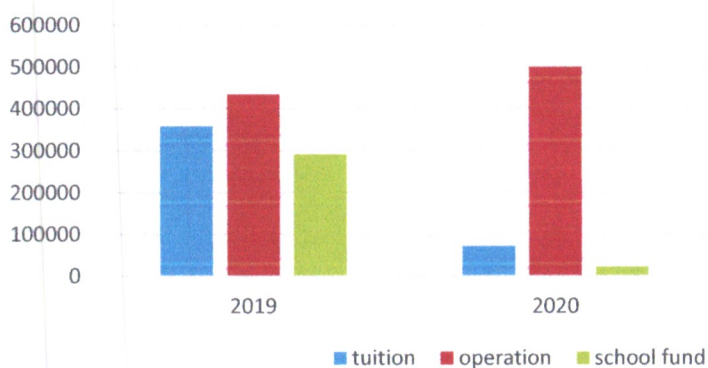


NYAMATHI SECONDARY SCHOOL
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For the six months period ended 30 June, 2021

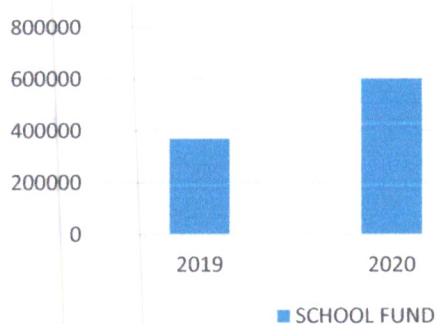
MOVEMENT OF DETORS AND CREDITOR OVER THE THREE YEARS

S/NO	ACCOUNTS	DEBTORS CREDITOR	2021	2020	2019
1	TUITION	CREDITOR	110,920	71,705	358,386
	OPERATION	CREDITOR	162,286	499,384	433,790
3	SCHOOL FUND	DEDTOR	173,450	603,190	369,400
		CREDITOR	259,500	22,570	291,680

GRAPH PRESENTATION MOVEMENT OF CREDITORS



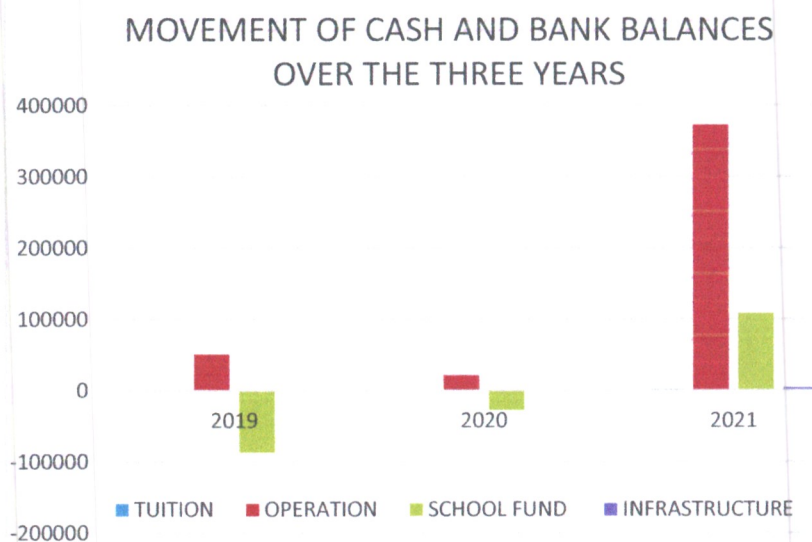
GRAPH PRESENTATION MOVEMENT OF DEBTORS FOR THE THREE YEARS



NYAMATHI SECONDARY SCHOOL
Annual Report and Financial Statements
For the six months period ended 30 June, 2021

MOVEMENT OF CASH AND BANK BALANCE OVER THE LAST THREE YEARS

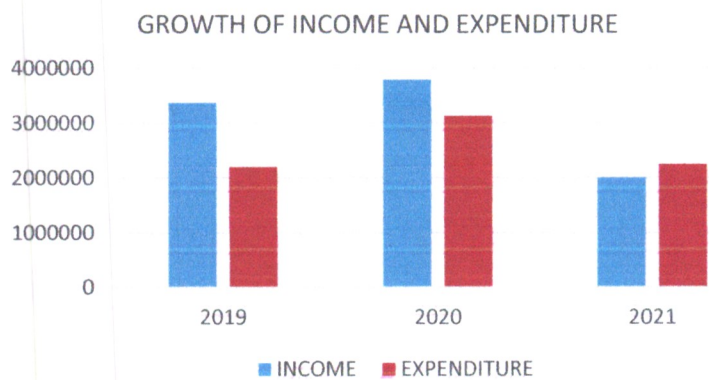
S/NO	ACCOUNTS	2021	2020	2019
1	TUITION	1,557.42	1,300.42	-1,286
2	OPERATION	360,114.56	21,040.26	50,695.86
3	SCHOOL FUND	76,131.3	-27,874	-86,714.7
4	INFRASTRUCTURE	3,952		
	TOTALS	441,755.28	(5,533.32)	(37,304.84)



A three-year overview of growth of income(s) and expenditure earned by the school fund a/c

year	income	expenditure
2019	3,375,730	2,196,971
2020	3,787,215	3,130,255
2021	2,366,000	2,200,245

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b) Teacher Student Ratio 18/413=1:23

Teachers

	TSC	BOM
MALE	9	1
FEMALE	5	3
TOTAL	14	4

	BOYS	GIRLS
FORM 1	44	35
FORM 2	55	53
FORM 3	43	44
FORM 4	73	66
TOTAL	215	198

Enrolment As Of June Of 2021

FORM	1	2	3	4	TOTAL
BOYS	69	48	77	-	194
GIRLS	70	48	83	-	201
TOTAL	139	96	160		395

Teachers For Every Subject

	SUBJECT	NO. OF TEACHERS
1.	ENGLISH/LITERATURE	3
2.	MATHS	3
3.	KISWAHILI	3
4.	CHEMISTRY	2
5.	BIOLOGY	3
6.	AGRICULTURE	1
7.	PHYSICS	1
8.	BUSINESS	3
9.	HISTORY	3
10.	GEOGRAPHY	4
11.	CRE	3

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c) KSCE Mean Score

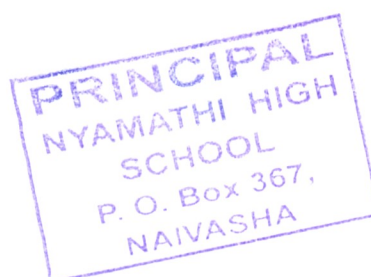
YEAR	ENTRY		UNIVERSITY C+ ABOVE		MEAN SCORE
2018	BOYS	19	BOYS	3	3.044
	GIRLS	29	GIRLS	-	
	TOT	48	TOT	3	
2019	BOYS	21	BOYS	4	3.72
	GIRLS	29	GIRLS	2	
	TOT	50	TOT	6	
2020	BOYS	44	BOYS	4	3.565
	GIRLS	53	GIRLS	-	
	TOT	97	TOT	4	

d) Development projects carried out by the school:

PROJECT	YEAR	AMOUNT	STATUS	SOURCE OF FUND
REPAIR OF 4 CLASSROOM and construction of 1 classroom	2021	1,610,000	On going	MINISTRY

Sign

School Principal



NYAMATHI SECONDARY SCHOOL
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III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

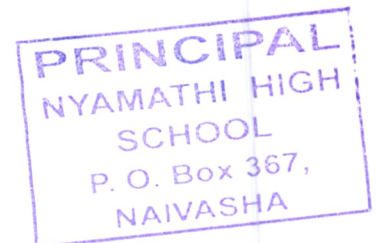
The Board of Management of Nyamathi secondary school accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

Name: JOSEPH GITAU
Designation: Chairman School Board of Management
Sign: _____
Date: 1/11/23

Name: DAVID MBUGUA
Designation: School Principal & Secretary to Board of Management
Sign: _____
Date: 1/11/23

Name: JANE NYAMBURA
Designation: Bursar/ Finance Officer
Sign: _____
Date: 1/11/23



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



Enhancing Accountability

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NYAMATHI SECONDARY SCHOOL FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE, 2021 – NAKURU COUNTY

PREAMBLE

I draw your attention to the contents of my report, which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance, which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nyamathi Secondary School – Nakuru County set out on pages 15 to 28, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of

*Report of the Auditor-General on Nyamathi Secondary School for the six (6) months period ended 30 June, 2021
– Nakuru County*

receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Nyamathi Secondary School – Nakuru County as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012, the Public Audit Act, 2015 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Unsupported Lunch Expenditure

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.2,200,245 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.2,198,455 for lunch expenditure. However, detailed supporting schedule/ledger were not provided for audit.

In the circumstances, the accuracy and completeness of lunch expenditure of Kshs.2,198,455 could not be confirmed.

2. Inaccuracies in the Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects bank and cash balances of Kshs.441,755 and Kshs.44,193, respectively as disclosed in Note 7 and 8 to the financial statements. However, no board of survey report was provided to support the cash balance. Further, the financial assets and financial liabilities reflects prior year overdraft bank balance of Kshs.29,732 which has been netted off other bank balances of Kshs.3,227. This is against IPSAS 1(48) which provides that assets and liabilities shall not be offset unless required or permitted by an IPSAS.

In the circumstances, the accuracy, completeness, presentation and disclosure of the cash and cash equivalents bank and cash balance of Kshs.441,755 and Kshs.44,193, respectively could not be confirmed.

3. Long Outstanding Student Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.4,119,915 which as disclosed in Note 9 to the financial statements includes student debtors balance of Kshs.3,929,915. Included in the balance is long outstanding debtors balance of Kshs.3,756,465 from students who have since completed and left school. Further, supporting schedules for the student receivable reflects a balance of Kshs.4,886,270 resulting to an unexplained variance of

Kshs.956,355. In addition, the age analysis of the receivables and ledger details were not provided for audit. Further, the significant accounting policies on accounts receivables as disclosed in Note 5 to the financial statements was silent on the treatment of the students' fees balances which is the major source of income for the school. In addition, information on students who had completed school and those who had transferred were not provided for audit.

Further, the accounts receivables balance of Kshs.4,119,915 reflects school fund account inter borrowing of Kshs.190,000 and Kshs.450,000 for 2020/2021 and 2020/2019 respectively totalling to Kshs.640,000 which does not qualify to be a receivable hence overstating the balance.

In the circumstances, the existence, accuracy, completeness, presentation and disclosure of accounts receivables balance of Kshs.4,119,915 could not be confirmed.

4. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects boarding and school fund payments amounts of Kshs.2,200,245 as disclosed in Note 6 to the financial statements. Included in the expenditure is transfer to co-curricular funds totalling to Kshs.187,000 to Kenya Secondary School Heads Association (KESSHA), a private entity that is not subject to Public Finance Management Act, 2012.

In the circumstances, the propriety and regularity of the expenditure of Kshs.187,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nyamathi Secondary School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that,

nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Excess Supply of Text Books by the Ministry of Education

During the financial year 2020/2021, the Ministry of Education issued one thousand nine hundred and thirty-six (1,936) text books while the school required one thousand twelve hundred and ninety-three (1,293) books resulting to excess of nine hundred and fifty-three (953) text books.

Further, the following anomalies were noted;

- i. The text books received in 2017/2018 were still lying in the store as the students did not require them.
- ii. The Ministry of Education issued set books that were not being used by the students as preferred set book. All books issued were still in the store.
- iii. The school had no mechanism to recover books lost from the students.

In the circumstances, value for money for the excess and unrequired text books could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of School Improvement Plan

Review of the school's strategic plan and other records revealed that the Management does not have a School Improvement Plan that could provide a road map for improvements that school needs to improve the school environment and learning outcomes. The school improvement plan ought to outline the need, the way of developing, implementation, monitoring and evaluation.

In the circumstances, the strategies in place for the School's improvement could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be materials weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material

uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures, as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gatungu, CBS
AUDITOR-GENERAL

Nairobi

09 October, 2023

NYAMATHI SECONDARY SCHOOL
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V. STATEMENT OF RECEIPTS AND PAYMENTS SIX MONTH PERIOD TO 30 JUNE, 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	600,757.00	732,973
Capitation grants for operations	2	4,097,269.10	4,747,725
School Fund Income- Parents' Contributions	3	2,366,000.00	2,017,220
TOTAL RECEIPTS		7,064,026.10	7,497,918
PAYMENTS			
Payments for Tuition	4	529,000.00	372,000
Payments for operations	5	3,615,924.80	3,893,590
Boarding and school fund payments	6	2,200,245.00	2,272,655
TOTAL PAYMENTS		6,345,169.80	6,538,245
SURPLUS/DEFICIT		718,856.30	959,673

The school financial statements were approved on _____ 2021 and signed by:

Sign:.....

JOSEPH CHEGE
Chair BOM

Date ..11/23

Sign:.....

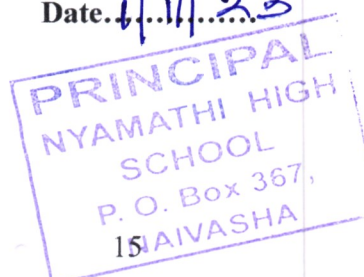
DAVID MBUGUA
School Principal/
Secretary to BOM

Date..11/23

Sign:.....

JANE NYAMBURA
Bursar/
Finance Officer

Date.....11/23



NYAMATHI SECONDARY SCHOOL
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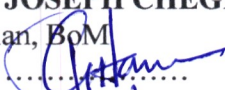
VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 JUNE, 2021

FINANCIAL ASSETS	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
Cash and Cash Equivalents			
Bank Balances	7	441,755.28	(29,732)
Cash Balances	8	44,193.00	24,198
Total Cash and Cash Equivalents		485,948.28	(5,534)
Account's receivables	9	4,119,915.00	4,459,545
TOTAL FINANCIAL ASSETS		4,605,863.28	4,454,011
FINANCIAL LIABILITIES			
Accounts Payable	10	722,706.00	1,043,659
NET FINANCIAL ASSETS		3,883,157.28	3,410,352
REPRESENTED BY			
Fund balance b/fwd. 1st July...	11	3,410,351.98	2,441,149
Surplus/Deficit for the year		718,856.30	959,673
cash accrual adjustment	12	(246,051.00)	9,531
NET FINANCIAL POSITION		3,883,157.28	3,410,353

The School's financial statements were approved on _____ 2021 and signed by:

Name: JOSEPH CHEGE

Chairman, BoM

Sign: 

Date: 1/11/23

Name: DAVID MAHUGU

School Principal/Secretary to

BoM

Sign: 

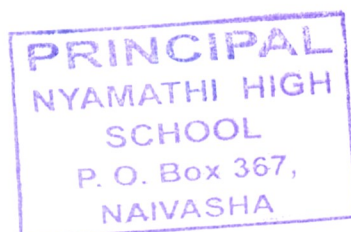
Date: 1/11/23

Name: JANE NYAMBURA

Bursar/Finance

Sign: 

Date: 1/11/23



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VII. STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE, 2021

STATEMENT OF CASH FLOW			
		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	600,757.00	732,973
Capitation grants for operations	2	4,097,269.10	4,747,725
School fund income- Parents contributions/ fees	3	2,366,000.00	2,017,220
Total receipts		7,064,026.10	7,497,918
Payments			
Payments for Tuition	4	529,000.00	372,000
Payments for operations	5	3,615,924.80	3,893,590
Boarding and school fund payments	6	2,200,245.00	2,272,655
total payments		6,345,169.80	6,538,245
Net cash flow from operating activities		718,856.30	959,673
CASHFLOW FROM INVESTING ACTIVITIES			
changes in receivables	9	339,630	(507,840)
changes in payables	10	(320,853)	(490,197)
accrual to cash adjustment	12	(246,051)	9,531
Net cash flows from Investing Activities		(227,274)	(988,506)
NET INCREASE IN CASH AND CASH EQUIVALENT		491,582	(28,833)
Cash and cash equivalent at BEGINNING of the year		(5,533.62)	23,299
Cash and cash equivalent at END of the year		485,948.28	(5,534)

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VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE, 2021

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Exercise books	200,000.00		200,000.00	180,000.00	20,000.00	90%
Laboratory equipment and apparatus	160,000.00		160,000.00	160,000.00	-	100%
Teaching/learning materials	115,580.00		115,580.00	114,757.00	823.00	99%
chalks	27,000.00		27,000.00	27,000.00	-	100%
Internal exams	143,600.00		143,600.00	119,000.00	24,600.00	83%
total	646,180.00		646,180.00	600,757.00	45,423.00	
(2) CAPITATION GRANT ON OPERATIONS						
EWC	359,000.00		359,000.00	212,270.00	146,730.00	59%
LT @T	714,000.00		714,000.00	548,889.10	165,111.00	77%
RMI	1,500,000.00		1,500,000.00	1,614,000.00	(114,000.00)	107%
Personal emolument	1,183,440		1183440	1,368,000.00	-184560	115%
Admin cost	405,000.00		405,000.00	354,110.00	50,890.00	87%
Medical and insurance	82,000.00		82,000.00			
TOTAL	4,243,440 .00		4,243,440 .00	4,097,269.10	64,171.00	
					-	
(3) FEES CHARGED ON PARENTS					-	
Lunch programme	2,625,000.00		2,625,000.00	2,366,000.00	259,000.00	90%
TOTAL INCOME	2,625,000.00		2,625,000.00	2,366,000.00	259,000.00	
(1) EXPENDITURE FOR TUITION						
Exercise books	200,000.00		200,000.00	110,000.00	90,000.00	55%
Laboratory equipment and apparatus	160,000.00		160,000.00	277,000.00	(117,000.00)	173%
Teaching/learning materials	115,580.00		115,580.00	50,500.00	65,080.00	44%
Chalks	27,000.00		27,000.00	31,000.00	4,000.00	114%
Internal exam	143,600.00		143,600.00	60,500.00	83,100.00	42%
Total	646,180.00		646,180.00	529,000.00	117,180.00	

NYAMATHI SECONDARY SCHOOL
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PAYMENTS FOR OPERATIONS					-	
Personal emolument	1183440		1183440	1,268,300.00	-84860	107%
Admin cost	405,000.00		405,000.00	156,200.00	248,800.00	39%
LTT	714,000.00		714,000.00	370,600.00	343,400.00	52%
EWC	359,000.00		359,000.00	111,970.00	247,030.00	31%
RMI	1,500,000.00		1,500,000.00	1,610,000.00	(110,000.00)	107%
Medical and insurance	82,000.00	-82,000	82,000.00	0		
Activity		82,000	82,000.00	97,910.00		119%
Bank Charges				944.80		
TOTAL	4,243,440 .00		4,243,440 .00	3,615,924.80	644,370.00	
BOARDING AND SCHOOL FUND PAYMENTS						
Lunch	2,625,000.00		2,625,000.00	2,198,455.00	426,545.00	84%
Bank Charges				1,790.00		
TOTAL	2,625,000.00		2,625,000.00	2,200,245.00	426,545.00	

IX. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the school and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

The school recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the school. In addition, the school recognises all expenses when the event occurs and the related cash has actually been paid out by the school.

3. In-kind contributions

In-kind contributions are donations that are made to the school in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the school includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

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6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The school's budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021

NYAMATHI SECONDARY SCHOOL
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X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Exercise books	180,000.00	732,973.00
Laboratory equipment	160,000.00	
Internal exams	114,757.00	
Teaching / learning materials	119,000.00	
Chalks	27,000.00	
Total	600,757.00	732,973.00

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
-	Kshs	Kshs
OTHERS		2,937,733.83
LT @T	548,889.10	
E.W.C	212,270.00	
Personal emolument	1,368,000.00	1,573,905.36
Admin cost	354,110.00	
Activity		157,390.54
Medical and insurance		78,695.27
Infrastructure Grant	1,614,000.00	
Total	4,097,269.10	4,747,725.00

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
BES/Lunch programme	2,366,000.00	1,998,720.00
SALARY ADVANCE		15,500.00
TENDER		3,000.00
Total	2,366,000.00	2,017,220.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Tuition a/c		372,000.00
Laboratory equipment	110,000.00	
Internal exams	277,000.00	
Teaching / learning materials	50,500.00	
Chalks	60,500.00	
Exams and assessment	31,000.00	
Total	529,000.00	372,000.00

5 PAYMENTS FOR OPERATIONS

others		2,644,263.00
Personal emolument	1,268,300.00	
Admin cost	156,200.00	
LTT	370,600.00	
EWC	111,970.00	
Activity	97,910.00	143,670.00
Bank charges	944.80	973.00
INFRASTRUCUTRE ACCOUNT	1,610,000.00	1,104,684.00
TOTAL	3,615,924.80	3,893,590.00

6 BOARDING AND SCHOOL FUND PAYMENTS

	2021-2020	2020-2019
Lunch	2,198,455.00	2,254,695.00
salary advance		15,500.00
Bank Charges	1,790.00	2,460.00
TOTAL	2,200,245.00	2,272,655.00

NYAMATHI SECONDARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account(family bank	053000029704	1,557.42	1,300.42
Operations Account(family bank	053000029703	360,114.56	1,926.26
School Fund Account/Boarding(equity	0200270266077	76,131.30	(32,958.30)
Infrastructural Account(family bank	053000045490	3,952	
Total		441,755.28	-29,731.62

8 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account		
Operation Account	11,934.00	19,114.00
School Fund account	32,259.00	5,084.00
Total	44,193.00	24,198.00

9 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	3,929,915.00	4,009,545.00
School fund a/c-interborrowing	190,000.00	450,000.00
Total	4,119,915.00	4,459,545.00

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year-2021	173,450.00	603,190.00
Fees arrears for the previous year-recovered	603,190.00	3,501,705.00
	(253,080.00)	(95,350.00)
Fees arrears for prior periods (over two years)	3,406,355.00	
Total	3,929,915.00	4,009,545.00

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10 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	532,706.00	593,659.00
schol fund a/c- interborrowing	190,000.00	450,000.00
Total	722,706.00	1,043,659.00

[Include an ageing of the creditor's arrears below]

Description		
Trade creditors for the current year	419,501.00	593,659.00
Trade creditors for the previous year	593,659.00	1,083,856.00
Trade creditors paid during the year	(480,454.00)	(1,083,856.00)
Total	532,706.00	593,659.00

11 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	(29,732.02)	17,447.58
Cash balances	24,198.00	6,032.00
Receivables	4,009,545.00	3,501,525.00
Payables	(593,659.00)	(1,083,856.00)
Total	3,410,351.98	2,441,148.58

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12 Accrual To Cash Adjustment

Description	2020-2021	2019-2020
	Kshs	Kshs
Receivables for current year	173,450.00	603,190.00
Payables for current year	(419,501.00)	(593,659.00)
Total	(246,051.00)	9,531.00

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount A Kshs	Date Contracted b Kshs	Amount Paid To-Date c Kshs	Outstanding Balance 2021 d=a-c Kshs	Comments
Supply of goods					
1. Foodstuff	680,270	7/05/2021	430,270	250,000	To be paid during the year
2. Meat	9,500	01/06/2021	0	9,500	
3. stationaries	110,715	11/1/2021	00	110,715	
4. lab equipment	22,150	19/01/2021	0	22,150	
5. NHIF				2,400	
6. NSSF				24,736	
7. Previous creditors for 2020 balance				113,205	
Grand Total				532,706	